An Evaluation of the Effects of Social Media on Client: Advertising Agency Relationships in the UK

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ABSTRACT

High level of informalality in the relationship between brand managers and advertising account representatives has been described as factor affecting positive work dynamic and long – term success. Although means of informal communications such as emails are still used, social networks have been gaining increasing popularity in the business landscape. This paper examines the effects of social media on client – agency relationships with focus on Facebook as an example of personal network. The methodology combines primary and secondary research. The paper reviews literature on client – agency relationships and social media, which provide the foundation for primary research. The paper concludes that connecting on Facebook with a client or agency representative is a way of showing the relationship has moved beyond strictly a working one. However, connecting with a work contact on Facebook should not be done in order to make the work relationship stronger. The study offers recommendations for practitioners and direction for future research.

KEYWORDS
Business, Business Communications, Client – Agency Relationships, Facebook, Marketing, Relationship Management, Social Media, Social Networks

INTRODUCTION

The Internet has been transforming all areas of everyday life and the business environment for years. Over the last decade social networking sites have drastically changed the way people communicate and do business. Almost every employee today has some kind of online presence on social media sites and although these platforms vary based on function and use, it is true to say that social media is increasingly blurring the lines between personal and professional relationships.

Bearing in mind the nature of the marketing and communications industry, the client – agency relationship is a highly complex one. The importance of a good relationship between brand and agency account managers for a successful project outcome cannot be questioned. In “The Implications of the Internet on the Advertising Agency-Client Relationship” Durkin & Lawlor (2001) found that a high level of informalality in the personal relationship of a client representative and agency executive was often described as a factor affecting long-term success.

Although the study mentioned above states phone calls as the most common means of informal communication, it is worth noting that the paper is not recent and has not taken into account the evolution of the Internet and the recent shift in technology which has resulted in the rise of social networking sites and changed the way people communicate today.

Since 2003, social networking sites have been gaining increasing popularity in the cultural and business landscape. Although some academic literature on how organisations can use social networking
sites for businesses and recruitment purposes exist, there is little research on whether or not client representatives should be connected with advertising agency executives on personal social media sites such as Facebook, and if so, how such interaction affects their working relationship.

The aim of this paper is to address this and explore the connection between the two topics. This paper focuses on Facebook as an example of personal social networking site and examines if and how connections between clients and agencies influence their working relationship.

The Literature Review looks at academic literature on the two topics. The Methodology part states the types of research undertaken and the reasons they are considered appropriate. The most relevant insights from the primary research are discussed in the Findings section, while key results are analysed in the Conclusions section. The paper concludes with Recommendations for Practitioners, Direction for Future Research and possible research topics that stemmed from the main findings.

**Research Objectives**

This paper pursues the following objectives:

- To outline the nature of client – agency relationships within the advertising industry;
- To assess the different ways in which clients and advertising agencies maintain working relationships; investigate ways of communication between them;
- To critically review the academic literature available on the topics of client-agency relationships and social media (with focus on Facebook);
- To evaluate the effects of social networks on client – agency relationships and the way in which online connections between these brand and account managers influence the working relationship;
- To make recommendations for practitioners in the industry and further academic research based on the findings.

**LITERATURE REVIEW**

**Types of Agencies**

An advertising agency is a service business dedicated to creating, planning and handling advertising for its clients. Within the advertising industry sector, two broad categories can be identified – specialist and full service. Specialist agencies focus on specific sectors (for example print, direct mail) whereas full service agencies include all of the services offered by specialist agencies and combine them into one package for their clients (Keynote, 2012).

**The Client – Agency Relationship**

Further literature suggests that a good relationship between the client and the agency depends on co-operation behaviour between both parties and smooth-working relations for mutual benefit (Ellis & Johnson, 1993; Waller, 2004). A study carried out by Levin, E. & Lobo, A. (2011) identified four key themes as to why clients use agencies, which are: special knowledge and creative ideas; working with people not internally linked with the client’s brand and image; experience through working with other products and brands; and in order for the client’s staff to focus on core business activities rather than specialised services that can be outsourced.

Although it is true to say that for a successful client-agency relationship every team member is important (for example designers, developers, planners), it should be noted that the people who lead these teams are mostly kept responsible for ensuring the good working relationship. These people are the agency account executives/managers/directors and the brand managers. As Haytko (2004) says, “the interorganisational relationship remains steadfastly in the hands of a few boundary-spanning account management personnel, primarily between the agency account executive and the client brand manager.”
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